



Holiday Retail Sales 2020

Retail sales during the winter holidays are a good indicator of economic activity and consumer sentiment. Over 52 million people work in retail, making it the number one job sector in the U.S., with a \$3.9 trillion contribution to the annual GDP. According to the National Retail Federation (NRF), due to the pandemic driving online holiday sales, e-commerce sales are up 36.7 percent in the third quarter of 2020.

Different methods are used by each forecaster to predict holiday sales but all of them have predicted an increase this year. The NRF expects 2020 sales to increase nationwide from 3.2 percent to 5.2 percent, totaling \$755.3 to \$766.7, with each consumer spending an average \$997.79 on the holidays. The Deloitte Annual Holiday Survey forecasts an increase of 2.5 to 5.0 percent, with a “K” shaped recovery from the pandemic. The International Council of Shopping Centers (ICSC) forecasts a 1.9 percent increase, with spending for the 2020 season totaling \$862.2 billion.

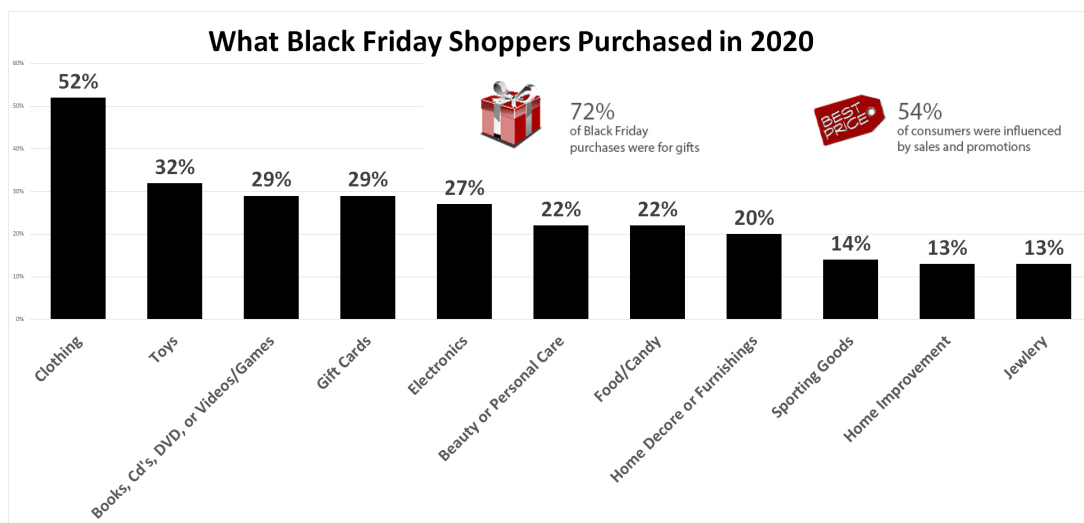


The biggest story this season is online sales. Deloitte predicts for 2020 that there will be a 25 to 35 percent increase in holiday e-commerce sales from 2019 due to the pandemic. E-commerce holiday sales are expected to total between \$182 to \$196 billion. Amazon has not released their online sales for this season except for noting this has been the largest online sales season so far, with third party sellers earning \$4.8 billion this season. A Wall Street firm, Truist Securities has predicted that Amazon will earn 42 cents of every holiday shopping dollar in 2020.

ICSC forecasts increased spending over a longer period this holiday season with 94 percent of adults planning to make holiday purchases and 73 percent of consumers planning to spend more than last year. According to their survey, consumers have come to expect to order their purchases online and pick up curbside. Due to COVID-19, 66 percent of respondents replied they were more likely to visit stores that had strict mask and contact barrier protocols. Promotions will remain an important part of retailers’ strategy this holiday season, with 47 percent of consumers saying they plan to start earlier to take advantage of sales, and 25 percent reporting sales provide incentive to spend more. Overall, 80 percent of shoppers say promotions play a role in their holiday purchases.

According to NRF Chief Economist Jack Kleinhenz, “Consumers have experienced a difficult year but will likely spend more than anyone would have expected just a few months ago.” NRF’s latest research shows 87 percent of consumers plan to celebrate the Holidays this season, including Christmas, Hanukkah and Kwanza.”

NRF's Black Friday weekend results included 52 percent of shoppers purchasing clothing, followed by toys (32 percent), books & CD's (29 percent), gift cards (29 percent), electronics (27 percent), beauty or personal care (22 percent), food or candy (22 percent) home decor or furnishings (20 percent), sporting goods (14 percent), home improvement (13 percent) and jewelry (13 percent).



The top item purchased for girls were Barbie, dolls, LOL Surprise Dolls and Legos while top items for boys included Legos, cars and trucks and Hot Wheels.

Top Black Friday Toy Purchases 2020	
	Girls
1	Barbie
2	Dolls
3	LOL Surprise Dolls
4	LEGO
5	Frozen related toys
6	Beauty Products
7	Apparel and Accessories
8	Baby Dolls
9	Play Station
10	American Girl
	Boys
	LEGO
	Cars and Trucks
	Hot Wheels
	Play Station
	Video Games
	X Box
	Nintendo Switch
	NERF
	MARVAL Action Figures/Remote Control Cars
	Paw Patrol

Still, consumer sentiment toward buying, along with economic and weather conditions, will play a large role in the overall results of retail spending this year. The accuracy of the analysts' predictions will remain to be seen as the holiday season continues.

Sources:

cnbc.com

deloitte.com

icsc.com

<https://nrf.com/insights/holiday-and-seasonal-trends/>